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OGC 73-1576

21 August 1973

MEMORANDUM FOR: Associate Deputy Director for
Management and Services

SUBJECT: Taxability of Cost of Living Allowances
for Employees Stationed in the
United States

REFERENCE: 17 Jul 73 Memo for C/Audit Staff fr
Asst Gen Coun, Same Subject

25X1A We have once more reviewed the question of the taxability
of the cost of living allowances which had been granted to employ-
ees assigned to [REDACTED] We can find nothing in the
law or background of this situation which would permit us to hold
other than that these allowances are fully taxable. I believe that
the sooner the situation is announced and regularized, the better
prepared all, particularly those on whom the tax will fall, will
be to meet next April's tax date. In general our experience has
been that any undue delay in making such a change merely
compounds the situation. 25X1A

[REDACTED]
Office of General Counsel

25X1A OGC: [REDACTED] jeb
cc: C/FR Division
C/Audit Staff
OGC chrono

25X1A [REDACTED] subject FEDERAL TAXES

12/31/74

E2 IMPDET
CL BY SIGNER

OGC Has Reviewed

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